The diligent work of Commissioners Court members across the state led the Texas Legislature to pass House Bill 1109, which exempts counties from the state motor fuels tax.

Resolution Spotlight

The Resolutions adopted by the County Judges and Commissioners Association of Texas (CJCAT) originate among members of Commissioners Courts and serve as the CJCAT Legislative Platform.

PASSED

Support for County Motor Fuel Tax Exemption
County Judge or Commissioner → Association → Legislature

Motor fuel taxes are the state's consumption taxes on gasoline, diesel fuel, and liquefied and compressed natural gas. In general, these taxes are charged on each gallon of fuel sold in Texas used to propel vehicles on Texas' public roads.

Texas law provides a variety of exemptions from gasoline and diesel taxes including:

1. federal agencies;
2. volunteer fire departments;
3. non-profit ambulance services;
4. electric cooperatives; and
5. Texas public school districts and/or their bus contractors.

Texas counties, the action arm of the Texas Legislature, are not exempt from paying the state's motor fuel tax, except off-road diesel use.

Counties provide critical services to constituents including law enforcement and emergency management response. For example, road crews from the county clear debris following a major weather event. Ambulances, fire trucks, and sheriff's deputies are unable to respond if the roads are closed by downed trees. County road crews and sheriff's deputies consume a great deal of fuel as part of emergency response, law enforcement, and other duties.

Cass County

"In rural Cass County, which spans over 950 square miles and maintains almost 1,000 linear miles of county roads, we burn about 100,000 gallons annually," reported Cass County Judge Travis Ransom. "Our road crews' combined usage is another 100,000 gallons a year. This equates to $40,000 dollars in motor fuel tax back to the State of Texas."

According to the Texas Comptroller's website, the state motor fuel tax generates approximately $3.8 billion dollars annually. Fifty percent of the revenue is allocated to the State Highway Fund, and 25 percent is allocated to the Available School Fund. The first $7.3 million of the remaining 25 percent is deposited to the County and Road District Highway Fund, referred to by counties as the Lateral Road Fund.

Ironically, Cass County receives about $40,000 a year from the Lateral Road Fund. There is a cost in the collection, administration, calculation, and reallocation of these funds, which Ransom describes as “tax churn,” or when one taxing entity (the county) pays taxes to another taxing entity (the state) to serve the same constituents. It is a complicated inefficiency in government.

Ransom worked with the County Judges and Commissioners Association of Texas and its Regional Associations to develop the following:

Resolution of Support for County Motor Fuel Tax Exemption

WHEREAS, Texas counties are the action arm of the state government and are responsible for the operation and management of many various state governmental programs as required or authorized by state law; and

WHEREAS, Texas counties provide essential state services to constituents at the local level which are fully or partially supported with funds disbursed by the State of Texas pursuant to the state appropriations process; and

WHEREAS, Texas counties provide emergency management services to the citizens of the State of Texas and serve as first responders during disasters to clear roads and provide lifesaving rescue and recovery support to local, regional, state, and federal agencies; and

WHEREAS, rising fuel costs have a significant impact on county budgets; and

WHEREAS, the State of Texas has authorized a motor fuel tax exemption for volunteer fire departments which partner with Texas counties to provide lifesaving fire response and mitigation to the citizens of Texas; and

WHEREAS, the State of Texas has authorized a motor fuel tax exemption to Texas public schools for motor fuel taxes which helps reduce expenses to local school districts and alleviate the impact of local school property taxes to the citizens of Texas; and

WHEREAS, exempting Texas motor fuel taxes for Texas counties will reduce tax churn in the state and further alleviate the impact of local county property taxes to the citizens of Texas;

NOW, THEREFORE, the County Judges and Commissioners Association of Texas does hereby resolve that for the foregoing reasons, it is in the best interest of Texas counties and their taxpayers to support and favor passage of legislation that exempts counties from state motor fuel taxes.